

BUILDING HEALTHY CITIES



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Makassar Political Economy Analysis

August 2019

Building Healthy Cities

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JSI RESEARCH & TRAINING INSTITUTE, INC.

2733 Crystal Drive
4th Floor
Arlington, VA, 22202
USA
Phone: 703-528-7474
Fax: 703-528-7480
Web: www.jsi.com

Plot No. 5 & 6, Local Shopping Complex
Nelson Mandela Marg (Near Post
Office)
Vasant Kunj
New Delhi 110070
India
Phone: +91 11 4868 5050

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ACRONYMS

APINDO	<i>Asosiasi Pengusaha Indonesia</i> (Indonesian Businessmen Association)
BAPPEDA	<i>Badan Perencanaan Pembangunan Daerah</i> (City Planning and Development Agency)
BAPPENAS	<i>Badan Perencanaan Pembangunan Nasional</i> (National Development Planning Agency)
BHC	Building Healthy Cities
BKPRD	<i>Badan Koordinasi Penataan Ruang Daerah</i> (Regional Spatial Planning Coordination Board)
BPK	<i>Badan Pemeriksa Keuangan</i> (The Supreme Audit)
BPM	<i>Badan Pemberdayaan Masyarakat</i> (People's Empowerment Agency)
CSO	civil society organization
DAK	<i>dana alokasi khusus</i> (special allocation funds)
DAU	<i>dana alokasi umum</i> (general allocation funds)
DFID	Department for International Development
DPRD	<i>Dewan Perwakilan Rakyat Daerah</i> (Regional Representative Council)
FIK LSM	<i>Forum Informasi dan Komunikasi Lembaga Swadaya Masyarakat</i> (Communication and Information Forum for Civil Society Organizations)
IDR	Indonesian rupiah
JSI	JSI Research & Training Institute, Inc.
Kominfo	Communication and Informatics Department
NGO	nongovernmental organization
PAD	<i>pendapatan asli daerah</i> (own source revenue)
PEA	political economy assessment/analysis
RT	<i>rukun tetangga</i> (neighborhood)
RW	<i>rukun warga</i> (community)
SUSENAS	national socioeconomic survey
USAID	United States Agency for International Development

PREAMBLE: BUILDING HEALTHY CITIES

BASELINE ASSESSMENT STRATEGY

Building Healthy Cities (BHC) is a three-year (2017–2020), United States Agency for International Development (USAID)-funded learning project conducted in three cities in India, Indonesia, and Vietnam. Implemented by JSI Research & Training Institute, Inc. with partners International Organization for Migration, Thrive Networks Global, and Urban Institute, with support from Engaging Inquiry, LLC, BHC aims to increase the understanding of the best routes for improving the social determinants of health in urban contexts. In year 1 of this project, BHC is conducting in each city several exploratory data collection activities to inform the approach. The resulting data will be validated and used by city stakeholders to define barriers to implementation, unintended consequences, and key leverage points to improve urban health. Based on the current understanding of Smart City activities and city contexts, BHC has identified questions and data collection approaches best suited to answer them. Figure 1 provides an overview of which questions will be answered by each activity.

Figure 1. Overview of BHC Year 1 Exploratory Assessments

	Secondary Survey Analysis (Quantitative)	Health Needs Assessment (HNA) (Qualitative)	Political Economy Analysis (PEA) (Qualitative)	Data Use Assessment (DUA) (Qualitative)
What are the health needs & burdens?	Included	Included		
What health services are available & to whom?		Included		
Who is underserved by current health & city services?		Included		
How are non-health sectors engaging in building a healthy environment?		Included		
How are health & Smart Cities being coordinated, managed, and financed?		Included		
Who makes the decisions about coordination, management and financing?			Included	
What is the functionality and equity of the coordination, management and financing systems?			Included	
What is the inter- and intra-sectoral functionality of information systems?				Included
What are the barriers to equitable service provision and a healthy environment within this city and system?		Included	Included	Included
What are the data and information barriers to coordination and management across sectors and actors?				Included
What are the opportunities to improve citizen agency & equity of service provision?			Included	Included

These data are only a beginning. BHC's continual process monitoring will follow changes in the themes emerging from this initial inquiry. These updates will be shared via multiple channels. Please check back on [BHC's website](#) for new reports and updates on our cities.

EXECUTIVE SUMMARY

Full citations for any secondary data cited in the Executive Summary can be found in the main text of this report.

This report reviews the political economy of service delivery in Makassar, Indonesia in 2018. Specifically, it examines the context within which the Makassar Smart City initiative might be leveraged to improve health outcomes across all Makassar residents, including those most vulnerable to health shocks.

I. METHODOLOGY

The methods for this assessment were adapted from the United States Agency for International Development (USAID) framework for political economy assessment. This exploratory, qualitative assessment used a combination of primary and secondary research approaches. In May 2018, information was gathered via 14 key informant interviews and observation of two focus group discussions. An extensive desk review was also conducted. In September 2018, after discussions with Makassar residents and city officials, the results of this assessment were validated and revised, though the conclusions here are our own.

II. RESULTS

Coordination, management and financing decision-makers

Decentralization in Indonesia has empowered local governments to set priorities for spending across a wide array of local services. Increased taxing powers and increased fiscal transfers have put a much larger share of public resources in local hands. Since 2005, mayors have been elected directly by voters, rather than being named by the elected council. The accumulation of these reforms has given mayors, such as the mayor of Makassar, latitude to innovate and experiment.

Central authorities are still involved in many aspects of budgeting, especially around major infrastructure projects.

Functionality and equity of coordination, management, and financing systems

Within Makassar, the existence of a strong mayor, coupled with a divided *Dewan Perwakilan Rakyat Daerah* (Regional Representative Council or DPRD), has enabled the mayor to launch the Smart City initiative.

However, power is unsettled in Makassar. The current mayor, originally elected in 2013 with the support of two parties, ran in 2018 as independent. However, he was barred by a court from running for re-election, after the filing of a lawsuit by a rival. Other political parties also opposed him, as did the major media owned by South Sulawesi's dominant political family. Yet in the June 2018 election, with the incumbent missing from the

ballot, a blank box on the ballot won more votes than any other candidate. This placed the appointment of the next mayor in the hands of the Ministry of Home Affairs.

At the administrative level, the *Badan Perencanaan Pembangunan Daerah* (City Planning and Development Agency or BAPPEDA) coordinates budget preparation and execution, and forms task forces or committees to deal with cross-agency issues. This functions well in most instances. However, coordination is more complicated among cities and provinces and among cities with villages/*kelurahan*.

Overall, the performance of local government under decentralization has improved in terms of providing more citizens better access to services. However, studies do not provide data indicating that development outcomes (i.e. literacy, health, etc.) have improved to a proportionate degree. One reason is that in Indonesia, data on local governments' performance are lacking. Budget allocations, receipts, and expenditures are readily available, at least at the city level. However, performance information is hard to obtain in many cases; often it is not available, or if available it has limited public access or is not disaggregated by specific characteristic (e.g., demographic and geographic information).

The Smart City initiative has the potential to improve on some of these issues. Though the effort is spearheaded by a popular mayor, the dashboard of data was incomplete in mid-2018. At that time, there were three programs where data were visible via the Makassar dashboard: District Health Information System, Home Care, and traffic/CCTV. Other agencies had been invited, but not yet compelled, to share public-facing data.

The unstable political situation, alongside the informal nature of the Smart City formation, makes its extension and continuity uncertain.

Status of citizen agency and equity of service provision

Citizens appear to have several avenues for voicing service issues in Makassar; migrants and seasonal workers less so. One example of citizens' electoral strength was their pushback against the political parties and the dominant regional political family to elect an empty box rather than the candidate who had enlisted the courts to force the incumbent mayor off the 2018 ballot.

Budget setting and local policy-making processes are accessible mainly via the *musrenbang* process, which incorporates neighborhood views into budget preparation by BAPPEDA. However, some question the extent to which participation in *musrenbang* is robust.

The lack of performance data on local government services noted above hampers citizen engagement as well. If there is no alternative service provider, or if service levels or costs for services provided by others or in other neighborhoods are not known, residents lack an evidence basis for assessing the quality of their services. This weakens the accountability of municipal service agencies and obscures data that would enable residents to objectively judge if services are getting better or worse.

For individual complaints, Makassar residents have access to a hotline, known as "112" and established as part of the Smart City initiative. The 112 call center passes

complaints or concerns on to the affected departments, but does not provide further information on follow-up status and outcomes.

Elected neighborhood officials serve community groups or neighborhoods and report to a district *lurah*, who is appointed by the city. These individuals are important in assuring attention to citizen's individual concerns. The neighborhood (*rukun tetangga*) and community (*rukun warga*) officials also enter complaints received on the 112 complaint telephone line. This enables them to be tracked, though no data summaries of complaints received or of their disposition were available for this study.

III. KNOWLEDGE GAPS

The report identifies a range of knowledge gaps for further investigation and planning:

1. The role of the DPRD in overseeing spending and performance in Makassar.
2. Data about service delivery, beyond spending, by neighborhood.
3. The political economy of specific service delivery sectors.
4. Intergovernmental decision-making.
5. The uses of analytic tools by policymakers.
6. The sustainability of the Makassar Smart City initiative.

IV. CONCLUSIONS

Makassar is fortunate to have a growing economy and to be a regional hub. The Smart City initiative has brought both international attention and improved access to services. The governing attitude that led to the push to be a "smart" city may also be what earned the mayor such loyalty that the June 2018 election results were as noted above.

The political uncertainty that this constitutes makes it hard to advance the Smart City program. Once city leadership is resolved, it may be possible to expand the reach of data for the Smart City dashboard and initiate other efforts to increase the city's responsiveness to its poorer residents.

There are many opportunities for Makassar to be "smarter" about its policies and programs that benefit vulnerable populations.

1. INTRODUCTION

Makassar is a rapidly growing city, fueled by its location as a transport and shipping hub for Eastern Indonesia, and by its economic aspirations of becoming a major business and industry center. That growth is reflected in the growing migrant population, which has increased over the last several years in search of greater economic opportunity (UN Habitat 2014).

Makassar has taken advantage of the autonomy and resources that have increased so dramatically in the last two decades since decentralization was introduced. Since decentralization, spending on local services has increased, and to a somewhat lesser degree, health and education outcomes have improved (World Bank 2017).

The discretion given to mayors by the Law of 23/2014 on Subnational Government, along with the expanded sectoral responsibilities for local leaders, have enabled cities to innovate. One of Makassar's innovations has been to establish a Smart City program. Still in its growth phase, the program does not yet reach most departments with resident-facing services; and its existence is not yet formalized into local legislation. Paired with the political uncertainty since the 2018 mayoral election, this means that though the Smart City initiative has been successful so far, its continuity is not assured.

2. METHODOLOGY

There are many approaches to completing a political economy assessment (PEA). Most efforts seek to gather information about the context and underlying explanations for observed outcomes, focusing on some or all of the incentives systems, decision-making processes, power relationships, collective action mechanisms, and pathways by which better and worse outcomes arise.

The United States Agency for International Development (USAID) *2016 Applied Political Economy Analysis Field Guide* recognizes that technical assistance by itself is rarely sufficient to achieve positive outcomes (Cammack 2016). Implementation of good policies, adoption and maintenance of good practices, and inclusion of all citizens are not assured. These outcomes usually depend on history and cultural contexts, formal and informal institutional arrangements, and the current dynamics of these issues. This approach builds on work done by the UK Department for International Development (DFID) in the mid-2000s to understand drivers of change and the Dutch framework and country studies for “Strategic Governance and Corruption Assessments” (DFID 2005; Clingendael Institute 2008). Both initiatives launched work to take practical account of the observation that politics, more than technical capacity, often determine the outcome of reforms and donor programs to support them.

The 2016 USAID Framework and more recent guidance informed the design of this assessment (Rocha-Menocal et al. 2018). The broad reach of that framework was tailored to address a set of questions relating specifically to governance in Makassar.

I. Selection of Makassar

Makassar, with a population of 1.47 million (as of 2016), is the fifth largest city in Indonesia (Statistics Indonesia 2017). It is a trading center, the most urbanized part of eastern Indonesia, and is the provincial capital of South Sulawesi Island. Nearly half of the economy of South Sulawesi is concentrated in Makassar. The city is expected to double its current population by 2030 (Oberman et al. 2012). Makassar was chosen by the USAID-funded Building Healthy Cities (BHC) project, after discussion with local government, due to its population size, potential for growth, and Smart City activities. Along with Indore, India and Da Nang, Vietnam, Makassar acts as a project learning site for developing effective urban health interventions.

II. Assessment Objectives and Questions

The objective of this study was to understand the context in which decisions about health-affecting services are made in Makassar, and whether there are opportunities for the Smart City initiative to address factors that may constrain improvement in those services. In addition to access to health care, the quality of housing, access to water and sanitation, solid waste management, clean air, traffic, and others all interact with the health of citizens. Each has its own institutional arrangements, stakeholders, and political economy. This PEA addresses the broad political economy of services in

Makassar, not individual services. The report approaches this objective through three key questions:

1. Who makes decisions about coordination, management, and financing of health-affecting services in Makassar?
2. What is the functionality and equity of the coordination, management, and financing systems for health-affecting services?
3. How much agency and voice do citizens have, especially those in vulnerable populations, with respect to health-affecting services?

These are broad questions and there are many different services that contribute to health outcomes in cities. Many challenges are long-standing and deeply embedded; others less so. This study addresses broad issues of urban governance in Makassar, recognizing that a more focused effort will be needed to clarify underlying issues with respect to any one of the many services affecting health.

III. Data Collection and Analysis

A combination of primary and secondary research approaches was used for this exploratory, qualitative assessment. In May 2018, information was gathered via 14 key informant interviews and two focus group discussions. An extensive desk review was also conducted. In September 2018, after discussions with Makassar residents and city officials, the results of this assessment were validated and revised. The PEA protocol was reviewed by the Urban Institute's Institutional Review Board and received ethical clearance from Public Health Faculty at Hasanuddin University. This approval followed elimination of planned focus groups among members of vulnerable populations. These focus groups were abandoned due to concerns that citizens' discussion of corruption or political interactions might expose individual group members to risk.

Limitations

Due to the exclusion of vulnerable populations from primary data collection, one limitation is the lack of primary qualitative data from these groups. BHC has tried to overcome this limitation via desk review of content written about and by vulnerable populations in Makassar, and via the inclusion of primary data from experts who work with these populations. In addition, officials and nongovernmental organization (NGO) leaders engaged with slum residents while touring various neighborhoods, giving the team opportunity to hear directly from residents.

3. RESULTS

I. Coordination, Management, and Financing Decision-Makers

With the implementation of decentralization reform in 1999 (via Law 22/1999 on subnational government), Makassar and other cities in Indonesia were given significantly greater responsibility for the delivery of services. With greater responsibility came greater autonomy—discretion to plan, budget, and spend—and, in time, greater accountability, as elections for mayors were changed to a popular vote in 2005, from prior election by members of the Regional Representative Council (*Dewan Perwakilan Rakyat Daerah* or DPRD), which is the local parliament. Currently, as per law 24/2014 on subnational government, mayors have a large role in initiating and implementing projects and policies in cities, including Makassar.

Functional responsibilities to local government

From its condition as a highly centralized state during the Suharto era, Indonesia currently has more than 500 local governments—*kabupatens* (regencies) and *kotas* (cities). Makassar is the fifth largest city in Indonesia and has broad responsibility for service delivery to the 14 districts within its territory (Statistics Indonesia 2017). Like all Indonesian cities, Makassar has responsibility for the delivery of traditional local services such as water, sanitation, roads, and solid waste, but also education, health, and infrastructure.

A measure of decentralization is the share of public spending managed by local governments. In 2000, spending by provinces and districts constituted only 16 percent of public spending in Indonesia. By 2017, fully 53 percent of government spending was conducted by subnational governments (38 percent local governments and 15 percent provinces). Spending in real terms by local government has doubled since 2001 (World Bank 2017).

Services provided by local governments under decentralization have improved across the board, though not by as much as the increase in spending. There has also been an increase in access to services, as well as shrinkage in regional disparities in service access. Access improvements have not been accompanied by improvements in health and education outcomes between 2000 and 2015 (World Bank 2017). Understanding why access has not improved with spending requires a view of the services assigned to local government, functions that require cooperation among city departments and between city and other levels of government, and the discretion and resources with which local governments can decide on priorities and implement them through spending and policy choices.

The process of allocating functional assignments and fiscal resources to local government has evolved since the first decentralization steps in 1999. There is dramatically greater local autonomy over many public functions. Even so (as in many countries), local governments in Indonesia remain dependent on transfers from the national government for significant portions of their budgets; and central ministries still

establish norms and maintain data on many local functions. The combined effects of the steps taken to devolve power, alongside those that sustain or increase central control, have not been carefully measured. Increasingly, various grants, such as the special allocation funds (*dana alokasi khusus* or DAK), come with conditionality or performance metrics to be tracked that constrain local discretion. At the same time, the performance outcome of the current functional assignments may be enhanced by the presence of oversight from national audit bodies that constrain local opportunism.

As noted, local governments in Indonesia are highly dependent on transfers from the central government to fund their spending—on average, these transfers furnished 80 percent of local government resources in 2018 (von Luebke 2009; Olivia 2018). The amount of this transfer to Makassar is not easily compared year-on-year. The best summary available for this assessment was the budgeted amounts shown in Table 1.

Table 1. Proportion of Own Source Revenue, Transfers 2016–2018, Makassar (IDR)*

	Own Source Revenue		Conditional Transfer		Unconditional Transfer		Total Revenue
	Amount	% Total Revenue	Amount	% Total Revenue	Amount	% Total Revenue	
2018	1,483,713,060,000	38.1	462,625,154,000	11.9	1,447,279,802,000	37.1	3,898,108,616,000
2017	1,332,547,019,000	39.3	379,564,185,000	11.2	1,458,002,694,000	43.0	3,393,899,898,000
2016	971,859,753,606	27.4	551,575,386,038	15.6	1,441,172,244,244	40.6	3,546,650,155,445

*IDR: Indonesian rupiah

Source: Directorate General of Fiscal Balance, Ministry of Finance n.d.

Though the high proportion of own source revenue (*pendapatan asli daerah* or PAD) suggests that Makassar is less dependent than other local governments on transfers, this funding still entails requirements and shared decision-making that varies among types of spending.

Responsibility for individual services is shared among levels of government in varying ways. According to Law 23/2014 on subnational government, these bodies are legally responsible for the delivery of six basic services and 17 non-basic services. Local governments (city and municipality) manage and fund local services, while province governments manage and fund functions with inter-municipality locations and beneficiaries.

For example, the central government finances national referral hospitals, province governments finance regional referral hospitals, and local governments finance and manage local hospitals and health centers (*puskesmas*). The operation of local water systems is the responsibility of local authorities, which often provide capital costs for the local corporatized water utility company, but raw water sources serving several cities are managed by the provincial government. The central government provides norms, standards, and procedures for many functions or services performed at the local level, such as school curriculum development, hospital and health clinic accreditation, and

teacher certification. However, enforcement varies with uneven effect, sometimes dependent on local authorities, other times on inspectors from national ministries.

Table 2 shows the range of services that are within the responsibilities of city/kabupaten government across Indonesia according the Law 23/2014 on subnational government.

Table 2. City and Kabupaten Government Services

Basic Services	Non-Basic Services	
Education	Labor force	IT and communication
Health	Female empowerment and child protection	Cooperative and small and medium enterprises
Public works and spatial planning	Food	Capital investment
Housing and settlements	Agrarian	Youth and sport
Community safety and order	Environment	Statistics
Social services	Population administration and civil registration	Cryptography
	Community and village empowerment	Culture
	Family planning	Library
	Transport	

Source: Law 23/2014 on Subnational Government

To address the uneven performance among local governments, an increasing share of central government grants to local bodies are now made as conditional grants. The central government has converted programs that are run through ministry budgets into conditional transfers such as DAK. In 2018, more than 25 percent of transfers were conditional (World Bank 2017). In addition, there are pilots with performance-linked transfers. In reviewing the effectiveness of this form of transfer, the World Bank noted the significant challenges that flow from the low levels of performance data on comprehensiveness and quality (World Bank 2017).

Political leadership in Makassar

This context means that mayors and local parliaments have significantly greater autonomy, greater resources to manage, and a very different accountability framework than was the case 20 years ago. Whether the factors that drive different outcomes are economic or institutional, studies of the uneven development outcomes of decentralization suggest that the details of governance arrangements and functionality of local governments are important factors in considering whether decentralization delivers in particular places (World Bank 2017).

The current mayor in Makassar was supported by two parties (Democrat Party and Star and Moon Party) in 2013 with 31.2 percent of the vote amidst a field of nine other candidates (Hajramurni 2013). A lawsuit filed by a competing candidate resulted in the incumbent mayor being ruled ineligible to run again in the 2018 election. The Administrative Court ruled that the incumbent was disqualified because he was accused of misusing his position and program to benefit the campaign. The specific violations were distributing smartphones to the head of each *rukun warga* (RW)¹ or *rukun tetangga* (RT)², appointing city contract workers, and using a tagline for Makassar that could be interpreted as “the city will be better with [a second] term” (Alfian 2018). This left only one candidate eligible to run in the June 2018 election. However, 53 percent of voters preferred the blank box over that candidate, presumably an indication of preference for the previous mayor, who was no longer on the ballot. The law in Indonesia apparently provides that in this circumstance, at the end of the current lame-duck mayor’s term in May 2019, the Minister of Home Affairs will name an acting mayor to serve until September 2020 (Wiwoho 2018).

The DPRD currently has 52 members from nine different political parties. No party has more than nine seats. In the 2009 elections, there were even more parties represented, 11 in all (DPRD Kota Makassar 2014). A 2005 study of 241 local governments in Indonesia found that a higher number of parties in the DPRD was associated with higher levels of pork-barrel spending (von Luebke 2009). Whether the slightly reduced number of parties in 2014 has affected such spending in Makassar is a subject for further study.

However, the number of personality-based parties in Makassar remains a practical challenge. Experts interviewed for this PEA reported that DPRD’s consideration of budgets presented by the executive branch is cursory at best. Another study suggests that in an environment with weaker or less developed legislative bodies, explanations for variance in city performance have more to do with leadership in the executive arm—perhaps because the mayor is more visible and thus more accountable (von Luebke 2009). One author notes that while local horizontal accountability structures in Indonesia, such as local assemblies, remain weak, local executives have increased their power at the expense of legislators (Buehler 2010).

According to Law 23/2014 on subnational government, the DPRD has legislative, budgetary, and oversight functions that grant it the authority, in concert with the mayor, “to issue local regulations with the mayor, discuss and approve proposed government budgets and monitor the implementation and regulation of the approved budget.” But in practice, it is the opinion of the assessment team that across Indonesia local parliament often lack the capacity to perform its functions well. NGOs view many members of the parliament as not having sufficient knowledge of the budgeting process or other information needed to perform this oversight function. As a result, local executive power tends to dominate legislative power.

¹ A *rukun warga* or RW is a local community group under village or *kelurahan* level, created through community consultation process. RW is divided further into *rukun tetangga* (RT). An RW comprises three to five RTs.

² A *rukun tetangga* (RT) is a local community group comprising a maximum of 30 (rural) or 50 (urban) households. RT is a division below RW, and the head of the RT is chosen by the community.

New laws in the last two decades have exacerbated this problem. Law No. 32/2004 strengthened the mayor's fiscal authority and allows the district head to "intervene in the work of the local parliament in appointing the civil servants that work in the parliamentary secretariat." Furthermore, Law No. 12/2008 reduced the authority of local parliaments to establish supervisory committees to oversee mayoral or district leader elections (Triwibowo 2012).

In this context, a concern about decentralization in Indonesia has been that localized autonomy increases opportunities for corruption and/or state capture. Makassar was recently named as the second most corrupt city in Indonesia (Men 2017).

A 2017 survey by Transparency International Indonesia polled 1,200 business owners in the 12 largest Indonesian cities to measure the level of local competitiveness and ease of doing business, in addition to the frequency that bribes are paid to facilitate business. Although Makassar's score improved from 48.0 in 2015 to 53.4 in 2017, it is considered the second worst city (after Medan) for corruption. Processes prone to corruption include licensing, procurement, and issuance of trade quotas (Men 2017).

In contrast, the same survey found that Makassar was the most bribery-free city, with under-the-table payments and backhanders accounting for just 1.8 percent of production costs. By comparison, the city with the highest level of bribery is the West Java city of Bandung, where bribery amounts to about 10.8 percent of total production costs (Men 2017). Additionally, money and clans still matter significantly in Indonesia.

With increased autonomy, opportunities for local leadership have emerged and leaders in Makassar have stepped up. Makassar's leadership as a Smart City is one outcome of greater autonomy. Makassar is characterized by a strong executive and a more passive legislative body that seems less engaged with policies, budgets, programs, or oversight of government functions. No one political party dominates.

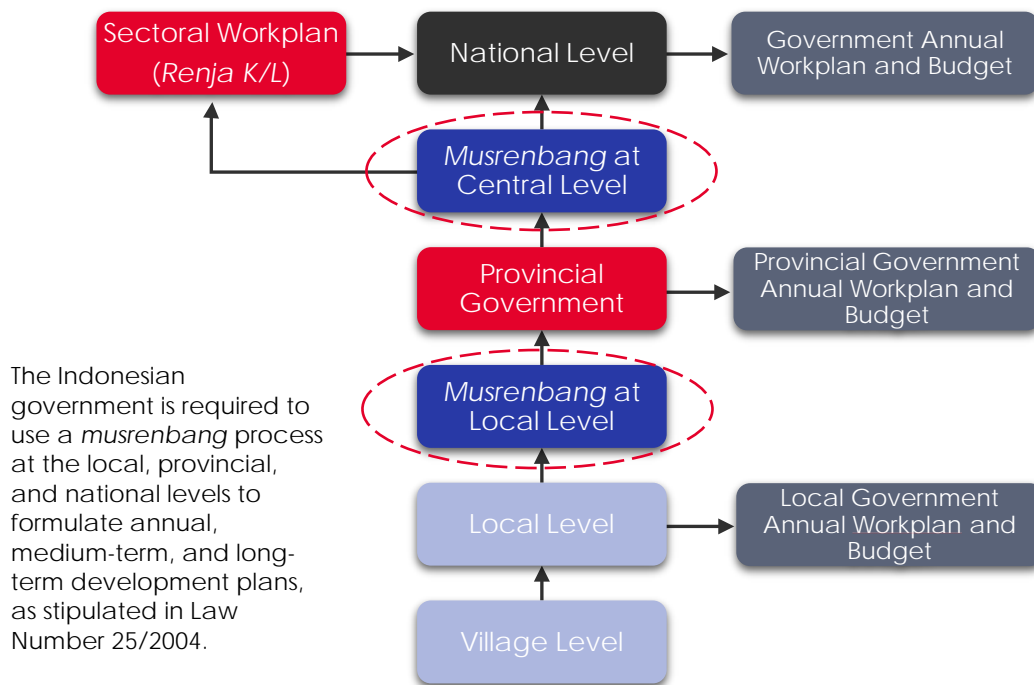
The Smart City initiative has been very much a project of the current, soon-to-be replaced administration. Unlike the Smart City activities in India (where the BHC project also works), there is no large fund for infrastructure improvement, nor any centrally-prescribed guidelines for what constitutes a Smart City. This autonomy provides space for the local administration to define and implement its program, subject to the more general challenges of managing government services in contemporary Indonesia, which are discussed below. As a result of these conditions, the Makassar Smart City initiative has considerable momentum, but institutionalization of the approach and future priorities are uncertain once a different administration is in place.

The following sections describe what has been learned about decision-making in Makassar.

Decision-making in Makassar

As in all Indonesian local governments, Makassar's elected mayor and local parliament set spending priorities and oversee implementation of service delivery. Coordination of planning and budgeting is the responsibility of the City Planning and Development Agency (*Badan Perencanaan Pembangunan Daerah* or BAPPEDA). A formal, detailed process of public input called *musrenbang*, conducted at the local level, aims to feed citizen preferences into the budget process. This process is shown in Figure 2.

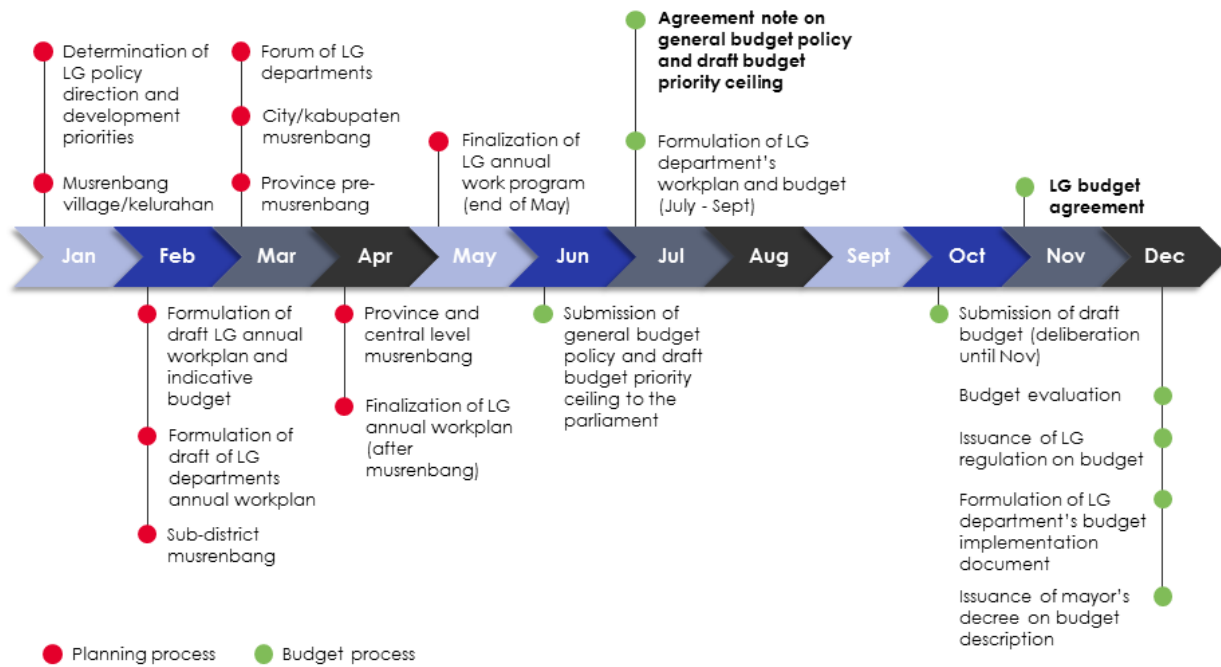
Figure 2. *Musrenbang* Process



Source: Tampubolon 2017

In the *musrenbang*, citizens meet in between elections to discuss the problems they face and decide on short-term development priorities. These priorities are then proposed to the higher level of government. BAPPEDA coordinates the formal planning process and will take the *musrenbang* recommendations into budget planning. Essentially, the *musrenbang* is designed as a bottom-up approach where citizens' voices can influence the city's budget plan and development projects. The budget process is ongoing over the course of the year (see Figure 3).

Figure 3. Budgeting Process



Source: Aan 2016

However, the adequacy of the Makassar musrenbang as an accountability process is unclear. This consultative process is mandatory at all levels of government, but its effectiveness is uneven. Putra (2016) found that deliberation of Makassar's five sectoral development plans in the musrenbang in 2014 and 2015 only involved citizens from 59 of 143 villages/kelurahan in eight of 14 *kecamatan* or sub-districts. The musrenbang resulted in 686 proposals for activities, but only 20 percent of them made it to the budget. Further, the study team was unable to identify steps in this process where analyses of the economic or health effects of DPRD's or the mayor's budget and policy choices were shared with the public and/or subjected to expert review.

Though a detailed study of all departments was beyond the scope of this assessment, an example of the overlapping responsibility for coordination of policy and implementation can be seen in the case of efforts to focus urban planning on poverty reduction. A 2011 report on poverty reduction and planning in Makassar and Surakarta identified several agencies with a role. These agencies are detailed in Table 3.

Table 3. Makassar Agencies and Responsibilities

Agency	Functions or Responsibilities
BAPPEDA	<ul style="list-style-type: none"> • Main planning agency of local governments. • Prepares development plan documents. • Monitors and evaluates city's development progress and achievements, including programs funded by province, national, and donor agencies. City departments report on a monthly basis through the BAPPEDA reporting system, with evaluation meetings held every 3 months. • Coordinates the development programs of all sectors within the city's authority. • BAPPEDA's Physical and Infrastructures Division takes the lead on the city's spatial planning document. The Division also participates in the BKPRD (<i>Badan Koordinasi Penataan Ruang Daerah</i>), which is the Regional Spatial Planning Coordination Board. • BAPPEDA's Social and Economy Division leads the implementation of the city's social protection programs.
People's Empowerment Agency (<i>Badan Pemberdayaan Masyarakat</i> or BPM)	<ul style="list-style-type: none"> • BPM is the coordinating agency for poverty reduction programs in Makassar and a key manager of poverty data. • Leads the city department development and plays a role in the implementation of the city's social protection program.
Public Works Agency	<ul style="list-style-type: none"> • Leads the implementation of physical infrastructure programs in Makassar.
Urban Spatial Agency	<ul style="list-style-type: none"> • Technical executing agency of Makassar's spatial planning. • Responsible for issuing building permits and manages the Free Building Permit for the Poor program.
City-Level National Land Agency	<ul style="list-style-type: none"> • Issues land certificates and monitors and oversees building permits.

Source: Suryahadi et al. 2011

Autonomy and Accountability Tradeoffs: Intergovernmental Transfers in Indonesia

Local governments in Indonesia rely heavily on transfers from the central government. In 2012, over 32 percent of the central government's budget was transferred to local governments; these transferred funds constituted over 90 percent of the budgets of local government. The majority of these transfers are general allocation funds (*dana alokasi umum* or DAU) and special allocation funds (*dana alokasi khusus* or DAK). According to a World Bank analysis (2017), "In 2010, the DAU share of total intergovernmental transfers was 63 percent, while the share of DAK was around seven percent. DAU is mainly used to fund salaries and other administrative costs. DAK funds investment expenditures that are also considered a national government priority. The total DAK allocation for 2010 is about US\$2.3 billion."

The amount of DAK allocation is determined annually within the national budget, and local governments must meet specific criteria in order to receive DAK. The national government's DAK allocation has increased in recent years from IDR 2.2 billion in 2003 to IDR 24.8 billion in 2009, translating to 2.4 percent of the national budget in 2009. Local governments that receive DAK allocations are required to provide a 10 percent match, but for regions unable to do so, exceptions are made to this rule.

According to the World Bank (2017), monitoring and verifying the use of DAK funds has been a challenge. A recent study undertaken by the National Development Planning Agency (*Badan Perencanaan Pembangunan Nasional* or BAPPENAS), Options for Improving DAK Grants (2009), showed that there is a mismatch between the amount of DAK funds allocated and local needs. There is also insufficient coordination between the central and local governments on priorities for the DAK, and a lack of reporting on use of DAK funds, especially for verification of outputs.

Smart City and Makassar Leadership

Indonesia has no central norms or standards for what constitutes a "Smart City." Nonetheless, in 2015 the Makassar mayor introduced a Smart City initiative. In May 2017, at a conference in Makassar, the Ministry of Communications and Informatics announced plans to develop a set of 100 Smart Cities (Dwinanda 2017), but these remain to be promulgated. This leaves individual cities free to design and implement their own smart initiatives. The flexibility Makassar enjoys has allowed the city to emerge as a leader; it is one of three cities in Indonesia to be proposed by the Foreign Ministry for participation in an Association of Southeast Asian Nations Smart City Network (TEMPO 2018). Makassar has also entered into an agreement with Singapore to develop Smart City ideas around education, health, and transport (Basu 2016).

Officials in Makassar reported that the Smart City effort has focused on two programs to date: Home Care and Integrated City Security Monitoring. There is also a citizen complaint phone line ("112") that receives 400,000 calls annually, mainly about power outages or to request home care services.

In Makassar, the Smart City initiative is managed by the Communication and Informatics Department (Kominfo). The budget allocated is for technology to coordinate services, while the main responsibility for service delivery remains with the various departments. The Health Department is responsible for the Home Care budget, the Revenue Office is responsible for digital payments for parking, and various other departments are responsible for

following up the 112 calls. The Smart City also serves as the platform for local neighborhood representatives (RTs and RWs) to submit citizen complaints and to track their disposition.

Interviews for this assessment revealed that the interaction of the Smart City effort with other functional departments is not yet well developed. The Smart City team wants to connect all departments, but at present, only five to seven departments routinely share their data to the Makassar dashboard. It appears that the connections will be made gradually due to budget constraints and city departments' data readiness. Data on departmental performance are not yet integrated, though BAPPEDA reported that its e-planning and e-SAKIP (e-government performance and accountability system) will be integrated into the platform. The Department of Public Works reported in interviews that they coordinate with the Smart City initiative on street lighting, but not yet in their main area of responsibility, water and sanitation.

The Smart City initiative is not embedded in local or national legislation, and its expansion depends on continued programmatic and budgetary support from the mayor. Such legislation at the national level could establish standards and metrics by which Makassar and other cities in Indonesia could track their progress toward agreed outcomes. At the local level, more formal recognition of the Smart City initiative would clarify the functional roles of BAPPEDA, Kominfo, and others.

Interjurisdictional Challenges: Whose Infrastructure?

Makassar has wrestled with its autonomy to address infrastructure adequacy. A representative of BAPPEDA shared this example. The city government was looking for a solution to ensure that rainwater flowed to the sea (some part of Makassar is below sea level), but was constrained in its legal authority over infrastructure (canals belong to the central government). Similarly, the city could not intervene with the inundation at protocol roads because these roads belong to the province. The city could only provide immediate/topical responses (e.g. sanitation task force to clear and check clogged drainage), but not infrastructure expansion or repair.

The city has complained about such things to the province and the central government, especially to the province/central infrastructure authorities located within Makassar. For example, according to Law 23/2014 on subnational government, seashore management falls to the province, but citizens will complain to the city if they see trash on Losari Beach (the main tourist attraction in Makassar). BAPPEDA Makassar also communicates with BAPPENAS in Jakarta on the conflicting responsibilities between different levels of government, but so far, BAPPEDA has handled these problems directly with the relevant ministries.

II. Functionality and Equity of Coordination, Management, and Financing Systems

The function of BAPPEDA is to coordinate formal budget and policy processes. It tracks annual data for the 26 sectors within the city's authority. The Makassar BAPPEDA has also developed a Poverty Information Management System (e-Kamase) that lists the names and addresses of verified poor residents who are eligible for various government

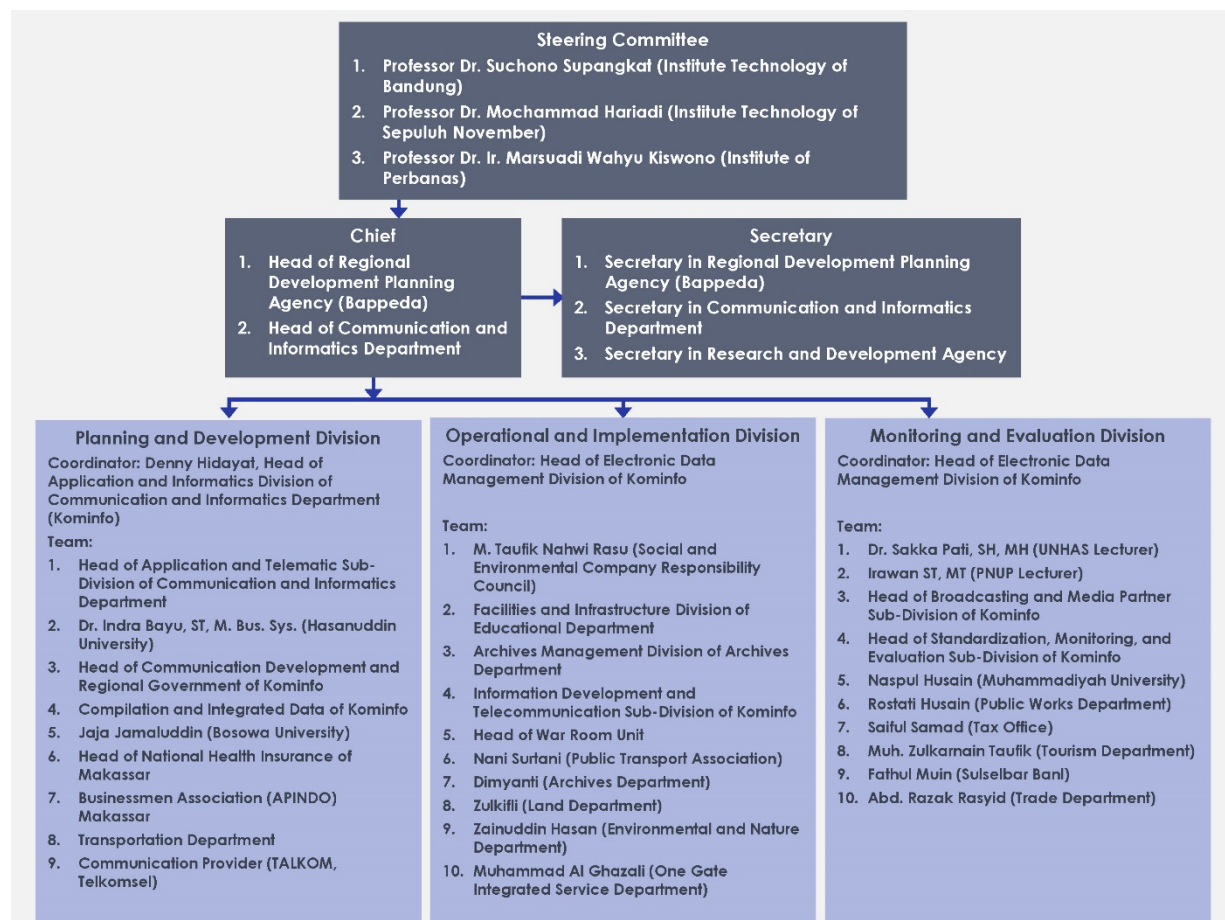
programs (Triwibowo 2012; Suryowati 2017). Services that are corporatized, such as water, are overseen by another agency, not BAPPEDA.

BAPPEDA uploads data to its website, but reported that the site is used mainly by researchers, not citizens or citizen groups.

BAPPEDA also convenes cross-sector working groups to address particular issues. The Healthy City Forum, for example, seeks to run the Healthy City Program created by the Ministry of Health. The forum addresses ten indicators: settlement areas, public facilities and infrastructure, traffic facilities and transportation services, healthy mining areas, healthy forest areas, healthy industrial estates and offices, healthy tourism areas, food and nutrition resilience, an independent healthy community, and healthy social life. BAPPEDA engages academic, private sector, and government bodies, such as the departments of health, public works, and environment, in the forum.

BAPPEDA also convened the Smart City Forum, aimed at ensuring Smart City program implementation. This forum included BAPPEDA and Kominfo as leads, and others as members such as universities, the private sector, government bodies, community empowerment groups, and NGOs. This is detailed in Figure 4, which shows the Smart City forum organogram.

Figure 4. Smart City Forum Organogram



Source: Mayor of Makassar 2017

A constraint on the ability to address service delivery needs in real time is the difficulty of obtaining performance data at the neighborhood level. Departments such as Public Works report that they do not yet have any involvement with the Smart City initiative.

Makassar is not unique in facing the challenge of improving the usefulness and availability of performance data. The Ministry of Finance requires local government to report on budget realization and absorption of transfers such as DAK and *dana desa* (village funds) using the online application for monitoring the treasury system and state budget, OM-SPAN (online monitoring system or *perbendaharaan dan anggaran negara*). This reporting system is overseen by the National Treasury, which collects data on the number of physical outputs produced by DAK transfers (DAK supports infrastructure with conditional grants). Since DAK priorities change from year to year, the data are not fully useful for tracking progress over time or integrating into local budget considerations (World Bank 2017). These data are not currently made available to the public.

Smart City role in data coordination

The Smart City team in Makassar was tasked by the mayor to prepare a data platform³ to host data supplied by each city department. According to the Smart City team and Kominfo, there are no guidelines yet for what is to be posted on the data site, so each department has to determine what is not confidential and can be uploaded. An interviewee from Kominfo noted that it had appointed data operators in each department, responsible for data management and sharing to the open data platform. The department also conducted training for data integration purposes. There have reportedly been disagreements between Kominfo and BAPPEDA about the priority or responsibility for integrating BAPPEDA's data with Smart City. The locus of Smart City activities in Kominfo may constitute a limit on the team's ability to accelerate other departments' contribution to the data portal.

III. Status of Citizen Agency and Equity of Service Provision

One objective of Indonesia's decentralization, in addition to sharing power in the post-Suharto environment, was to increase the citizens' ability to have a voice in their governance. The pace and shape of Makassar's growth are relevant to this.

Population growth in the city has occurred mainly in outlying municipalities as opposed to in the city center. Between 2004 and 2014, the outer districts of Makassar grew at a rate of 3.0 percent, while districts in the center of the city decreased in population at a rate of 0.2 percent. As the periphery increases in population, land is converted from agricultural to urban use, limiting communities' capacity to produce food. Further along the coastline, Makassar is also developing land through reclamation, which will provide economic opportunities for investors, but threatens the primarily poor communities that live there currently by limiting their access to the ocean (UN Habitat 2014).

³ www.opendata.makassar.go.id is a portal for data by the City Government of Makassar, City Departments, and other agencies that generate data on Makassar.

As a regional commercial center, Makassar also has a large population of seasonal migrants, though there are no data on the size of the seasonal migrant population. However, interviews showed that there is no current assistance to improve these seasonal workers' access to services, other than access to emergency health services through Home Care.

For those who are formal residents of Makassar, there are elections and increasingly organized mechanisms for citizen input and communication. An outcome of the 2014 elections was that there were nine parties represented in the DPRD, with no one party having more than nine of the 50 seats. The outcome of the 2018 mayoral ballot, in which a blank space won more votes than the party-affiliated candidate, marks a popular rejection of the court's decision barring the current mayor from being a candidate (Table 4).

Table 4. Makassar City Parliament Based on 2009 and 2014 General Elections

Political Parties	Number of Representatives 2009*	Number of Representatives 2014**
Golkar (secular)	12	8
Demokrat (secular)	9	9
PDI-P (secular)		4
PKS (Islamic)	5	5
PAN (Islamic)	5	4
PPP (Islamic)	3	5
Gerindra (secular)	4	5
Hanura (secular)	4	5
PDK (nationalist democratic)	5	
PKP (secular)	1	
PDS (Christian)	1	
PBR (Islamic)	1	
Nasdem (secular)		5

Source: *Jari Ungu, n.d.

**DPRD Kota Makassar 2014

Issues in tracking local service delivery

For citizens who are interested in the facts about the level of services delivered to their community, there are several underlying challenges to identifying the comparative or absolute level of performance. Tracking local service delivery is challenging due to several constraints on the data collected. First—according to a 2017 World Bank report on the whole of Indonesia—data quality at the district level has been poor since “there are few outcome indicators that have disaggregated data down to district level.” Health outcome indicators, such as maternal mortality rate, are usually generated through non-representative survey techniques. Furthermore, administrative data obtained through government reporting systems “are prone to district gaming.” Data accessibility is also unreliable at times.

Second, large differences exist between indicators generated from SUSENAS, the national socioeconomic survey, and district administrative data. For example, *Riskesdas*, a health status survey, is conducted by the Ministry of Health and done infrequently (every five years or so), while SUSENAS is conducted annually by Statistics Indonesia. However, the data from both sources are not representative below the city/kabupaten level, so it is less useful to urban managers. Local service delivery data are collected more frequently. These data are reportedly less reliable than the more professionally-conducted, independent SUSENAS; but are said to be preferred by local officials (World Bank 2017). As a result, it can be unclear which data sources should be used for planning purposes.

Third, the Regional Financial Information System is designed to have information on local government spending, but this system does not have “spending data below sectoral disaggregation. The lack of detailed disaggregated spending data prohibits thorough analysis on the efficiency and effectiveness of local government spending” (World Bank 2017).

Lastly, there are relatively few sources of data on governance. The regular

The Most Local of Local Government Representatives

The lowest level of governmental administration in Indonesia is the administrative village (*kelurahan* or *desa*). A *kelurahan* is led by a *lurah*, appointed by the local city government. The village is then divided into several community groups (RWs) which are then further divided into neighborhood groups (RTs).

The tasks of an RW leader typically include assisting the *lurah* in improving neighborhood cleanliness and safety and preparing letters related to civil registration.

The typical work day for a *lurah* is spent on handling complaints and conflict resolution. Typical requests from low-income citizens are related to finances, while those from middle-income citizens address disagreements between neighbors.

Leaders of each RT and RW are elected by citizens, where each household has one vote. The RT and RW leaders can be removed by the *lurah*, but typically the social repercussions of not performing the job of RT or RW leader are greater than the risk of formal removal. The *lurah* is directly appointed by the mayor through a competitive selection process and can also be removed by the mayor.

audit by The Supreme Audit of Republic of Indonesia (*Badan Pemeriksa Keuangan* or BPK) measures “the compliance of local governments to financial reporting standards and the adequacy of internal control systems,” but the “majority of local governments tend to receive good audit results” (World Bank 2017). Performance evaluations are conducted by the Ministry of Home Affairs and the Ministry of Administrative and Bureaucracy Reforms, but these data are not publicly available.

Avenues for Citizens to Address Service Needs

Despite these data limits, there are a number of avenues through which Makassar residents can speak up about service access or quality. These usually involve elected local representatives, like the RT or RW leader, DPRD representative, or the lurah (village leader). Residents may also deliver their complaints through the call center 112, which are then followed up by the related department (Hamzah 2017).

Lower-income residents of Makassar typically voice their concerns through their RT leader, who then brings the issue to the RW leader, who will voice the issue to the lurah. RT and RW leaders must submit reports through Smart City’s Smart RT/RW application, which the lurah can also view. In some villages (*kelurahan*), the RT/RW leaders prefer to report through WhatsApp rather than the Smart RT/RW app. Middle-income residents who know of the call center prefer to use it to deliver their complaints, seeking a direct response from the relevant departments rather than waiting for their RT/RW, who is likely to take longer to make the connection. Beyond the 112 call number, some neighborhood RW leaders also hold citizen meetings. RT leaders and other community members are welcome at *musrenbang* meetings at the *kelurahan* level, where they can directly speak their concerns. However, as previously noted, *musrenbang* has been criticized as merely a formality.

Whereas lower-income residents channel their complaints through their RT and RW leaders, middle and higher-income residents more often use social media. Many city departments and *kelurahan* have Facebook pages, and in general these complaints receive responses. As one respondent reported, there is no “city hall” culture in Makassar, where citizen complaints are addressed by senior politicians. However, there is one special medium through which people can deliver their concern directly to the mayor. The mayor opens his house starting from 06:00–08:00 and 17:00–19:00 every day to have people voice concerns and give solutions (Tenriawaru 2017). Other methods of engaging with city officials include through the city’s Public Relations Department, letters, direct visits to city offices, social media, and the Smart City 112 call center. DPRD has its own channel, called *Ajamma*,⁴ to engage with residents. Most complaints are related to infrastructure and sanitation. The effectiveness of each avenue for voicing citizens’ views and concerns is unknown.

Civil Society and Nongovernmental Organizations in Makassar

NGOs can play a significant role in service provision, advocacy, and improving governance in Makassar. In 1990, the Communication and Information Forum for Civil

⁴ *Ajamma*, short of *Ajang Aspirasi Masyarakat Makassar* (<http://ajamma.makassarkota.net/>) is a website for residents to submit their aspirations, complaints, and input to DPRD.

Society Organizations (*Forum Informasi dan Komunikasi Lembaga Swadaya Masyarakat* or FIK LSM) was established “with the aim of strengthening the effectiveness of advocacy programs and networks among NGOs in Makassar and other areas in South Sulawesi province” (Triwibowo 2012).

The prominent civil society organizations (CSOs) active in Makassar include:

- KUPAS advocates for pro-poor budgeting and increasing the voice of poor residents in Makassar. It monitors and supports the musrenbang process to improve community participation in the city’s budgeting and planning processes. It also has constructed a database of poverty by city neighborhood. It has been supported by the Ford Foundation.
- [BaKTI](#) was established in 2004 and engages closely with the city government, participating in public consultations and direct programs. BaKTI recently worked with the Makassar Research & Development Department, BAPPEDA, the Transport Department, and the UN Pulse Lab (funded by the United Nations Development Programme) to facilitate innovation for transport. BaKTI captured citizens’ perspectives through a series of meetings with stakeholder groups and a basic survey to capture the public’s needs for transportation, implemented using a school bus facility with geo-tracking called Pasikola. BaKTI also promotes civil registration in Makassar and Gowa. The organization engages with associations to collect documents from the city’s most vulnerable groups and submit them to the Civil Registration Office.
- [Muhammadiyah](#) is one of the largest Islamic mass organizations in Indonesia. In Makassar, the CSO has about 3,000 card-carrying members; operates 62 schools from kindergarten to university, clinics, and maternity hospitals; and plans to build a hospital attached to the school of medicine in the University of Muhammadiyah Makassar. The city government has involved Muhammadiyah in discussions on various issues, so Muhammadiyah considers itself a partner and is willing to participate in government programs.

The private sector in Makassar usually uses its association, *Asosiasi Pengusaha Indonesia* (Indonesian Businessmen Association or APINDO) to voice its perspectives and needs. For example, [APINDO](#) tried to lobby the National Electricity Company regarding an increase in an electricity tariff. Engagement with the city government is mostly related to obtaining permits and planning for site development (through the Permit Office, City Planning, Public Works, etc.). Private sector organizations like APINDO are often invited for discussion with government officials, but there is no formal forum for discussion among government and private sector stakeholders.

According to one academic informant, the current city administration has engaged in policy discussions with academics, both formally and informally. Some Hasanuddin University lecturers contributed to the inception and implementation of the Smart City initiative.

4. KNOWLEDGE GAPS

Makassar's political contest will be resolved in the spring of 2020 with re-election for the mayor's position (an interim mayor will be appointed by the Ministry of Home Affairs to govern during the gap period between the end of the current mayor's term and the definitive mayoral election). That official can then confirm the continuity of existing Smart City activities or alter them. As these developments unfold, there are several areas needing further understanding, both about the status quo and pathways for increasing the health status of the vulnerable poor in Makassar. Some of those are listed below.

I. Role of the DPRD in Setting Priorities or Holding Mayors Accountable

The DPRD is divided among several parties and interviewees reported that the entity is not systematically involved in reviewing specifics of government performance or making data-supported choices among spending priorities. This leads to a set of questions that could complete the picture of how health and other outcomes are understood and prioritized by leaders in Makassar. In thinking of opportunities for interventions that BHC, the Smart City team, or others could consider, it would be useful to understand:

- What aspects of municipal service performance are reviewed by DPRD members and/or staff in the process of reviewing and approving budgets?
- What information is available to them, how current is it, and who produces it?

Understanding these issues can help officials, DPRD members, and CSOs to consider the kinds of data that should be prioritized for the Makassar dashboard.

In addition to having data, it is important to understand how it is used. For example, how does the DPRD use the BPK or Financial and Development Supervisory Agency reports?

The DPRD represents the wide diversity of citizens in Makassar. It would be very helpful to understand how they address corruption. For example, are corruption allegations seen as a political weapon, or is there collective concern across DPRD factions that Makassar is listed among Indonesia's top 12 most corrupt cities? Is there an opportunity for the Smart City dashboard to provide some level of transparency about the nature of fraud or other corruption metrics to go alongside evolving service delivery metrics?

II. Data on Urban Services, Especially on Sub-Districts or Neighborhoods

The tradeoffs between local data and high-quality, higher-level data noted in the body of this report are not immutable. BHC and the city of Makassar would benefit from having an inventory of administrative data that could be reported at the neighborhood

level. Using this inventory would facilitate choices on whether there is any policy reason not to routinely release the data to the public.

This study observed the increasing use of multisector task forces in Makassar. It would be very useful to catalogue how those that functioned well have managed to accomplish that. What metrics are used to track their performance? What types of information have been used in the work of the better-functioning multisector groups?

III. Micro-Political Economy of Specific Sectors

This report addresses broad conditions in Makassar and decision-making related to service delivery and Smart Cities. Yet the technology, economics, and politics of service delivery are not identical. There are different levels of local responsibility, different interests involved, different types of information, asymmetry, and free riding.⁵ In considering whether and how information produced by Smart City can be used to change outcomes, it will be important to have a detailed understanding of the interactions among interests and agencies that are expected to improve decision-making.

IV. Intergovernmental Decision-Making on Services

In Makassar, as elsewhere, no service is fully “local.” Central and regional authorities have a role in either financing, regulating, or reviewing many aspects of local issues. For example, the study team observed that it would be very useful to document decision-making about both capital investment and the maintenance of drains. How are these decisions coordinated among local, regional, and central authorities?

V. Supply and Demand for Analytic Input on Service Delivery Impacts by Executive or Legislative Branch Leaders

An important part of the “infrastructure” for more evidence-informed decision-making is the ecosystem for policy analysis and advice. This is both a “supply” (who is able and incentivized to generate policy insights?) and a “demand” (who will benefit from pressing for better, more timely, more relevant information around decisions on health-affecting public services and public goods?). For example, what expectations do policymakers (in the DPRD or in the city administration) have with respect to analytic support for choices they face? Are there minimum standards or templates for documenting costs and benefits for proposed projects or policy changes?

One source of incentives to generate and use better data is any accountability system that makes it costly to *not* insist on the best available data. In this regard, do citizens or

⁵ Information asymmetry occurs when one party knows more about a problem than another. For example, individuals know more about their individual willingness to pay for services than do officials, so it is difficult to set the fee level for services such that the fee ensures that the city both recovers its costs and has the resources to subsidize those below the poverty line. Each party has an incentive to assert unaffordability and to “free ride” on the payments made by others. For example, in Indonesia, gasoline subsidies have long been unaffordable, but they are difficult to remove because vast swaths of the population, not only the neediest, are reluctant to bear the costs of their energy usage.

citizen groups have legal recourse for service delivery failures or for decisions that ignore public evidence?⁶

VI. Smart City Sustainability

This report has noted the lack of institutionalization of the current Smart City initiative. At the time of the interviews in 2018, it was not clear whether there is a strategy to embed the Smart City program into Makassar's organizational chart and budget and implementation processes.

⁶ In the US, courts can review agency actions that are arbitrary and capricious, which can often mean ignoring evidence and data in the agency's possession at the time a decision is made.

5. CONCLUSIONS

Makassar is fortunate to have a growing economy and to be a regional hub. The Smart City initiative has brought international notice and improved access to services that are covered by the Smart City. The governing attitude that led to the push to be a “smart” city may also be what earned the mayor such loyalty that “none of the above,” which we interpret as a vote for the incumbent, handily won the recent election, beating the one remaining candidate whose lawsuit had forced the mayor off the ballot.

However, this political uncertainty makes it hard to advance the Smart City program. This, and Smart City’s informal legal status as a program in Makassar’s Kominfo, suggest that it may be several months before major progress can be made to expand the reach of Smart City data collection for the dashboard, or to take other actions to increase the city’s responsiveness to its poorer residents.

There are many opportunities for Makassar to be “smarter” about its policies and programs. For example, using technology to put performance data on a dashboard, accessible to citizens, is a highly visible way to increase the accountability of programs and to manage citizens’ expectations. At the same time, it would be useful for these data to be as local as possible, to guide policymakers and government managers on the effectiveness of different policies, programs, or distribution of personnel. With its expanded resources and wider footprint post-decentralization, the city of Makassar may be able to take on a greater leadership role among Indonesian cities by building data on the performance of its service departments and using that data to engage citizens. This performance information, if it is to motivate citizens, would usefully allow them to see the details of both their neighborhood and the wider community.

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JSI RESEARCH & TRAINING INSTITUTE, INC.

2733 Crystal Drive

4th Floor

Arlington, VA, 22202

USA

Phone: 703-528-7474

Fax: 703-528-7480

Web: www.jsi.com